

LAW OFFICES

**DRINKER BIDDLE & REATH**

SUITE 900

901 FIFTEENTH STREET, N.W.  
WASHINGTON, D.C. 20005-2503

TELEPHONE: (202) 842-8800

FAX: (202) 842-8465

PHILADELPHIA NATIONAL BANK BUILDING  
1345 CHESTNUT STREET  
PHILADELPHIA, PA 19107-3496  
(215) 968-2700

JOHN P. BANKSON, JR.  
(202) 842-8806

SUITE 400  
47 HULFISH STREET  
POST OFFICE BOX 627  
PRINCETON, NJ 08542-0627  
(609) 921-6336

SUITE 300  
1000 WESTLAKES DRIVE  
BERWYN, PA 19312-2409  
(610) 993-2200

March 6, 1997

**BY HAND**

Acting Secretary  
Federal Communications Commission  
Room 222  
1919 M Street, N.W.  
Washington, D.C. 20554

In re: **Broadcast Television Rules,**  
**MM Docket No. 96-222, et al.**

Dear Mr. Caton:

On behalf of Cook Inlet Region, Inc., we are filing the original and four copies of its Reply Comments.

Please stamp as received the additional copy and return it to our messenger.

Very truly yours,

  
John P. Bankson, Jr.

JPB/jb

Enclosures

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Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

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In the Matter of	)	
	)	
Broadcast Television National	)	MM Docket No. 96-222
Ownership Rules	)	
	)	
Review of the Commission's	)	MM Docket No. 94-150
Regulations Governing Attribution	)	
of Broadcast and Cable/MDS Interests	)	
	)	
Review of the Commission's	)	MM Docket No. 92-51
Regulations and Policies Affecting	)	
Investment in the Broadcast Industry	)	
	)	
Review of the Commission's	)	MM Docket No. 91-221
Regulations Governing Television	)	
Broadcasting	)	
	)	
Reexamination of the Commission's	)	MM Docket No. 87-154
Cross-Interest Policy	)	
	)	
Television Satellite Stations	)	MM Docket Nos. 87-7 and 87-8
Review of Policy and Rules	)	
	)	
TO: The Commission	)	

**REPLY COMMENTS OF COOK INLET REGION, INC.**

Cook Inlet Region, Inc. (Cook Inlet or CIRI), one of 12 regional corporations established by Congress under the Alaska Native Claims Settlement Act of 1971, 43 U.S.C. § 1601, et seq. (ANCSA), files these Reply Comments to emphasize the importance in the public interest of diverse ownership of broadcast stations and other mass media facilities. Cook Inlet supports all measures to assist socially and economically disadvantaged entities to acquire broadcast licenses and cable systems and to increase diversity of viewpoints available to the general public. Cook Inlet believes that established and well-capitalized broadcast and cable businesses should receive

incentives to invest in and assist disadvantaged entities to get started and to expand in the broadcast industry.

Cook Inlet is owned by approximately 6,700 Native Alaskan shareholders of predominantly Athabascan, Eskimo and Aleut descent. A majority of the company's shareholders are women. Under ANCSA, and ". . . [f]or all purposes of Federal law . . .," Cook Inlet and all its qualifying subsidiaries, joint ventures, and partnerships are considered to be a corporation owned and controlled by Alaskan Natives and a minority and an economically disadvantaged business enterprise.<sup>1/</sup>

Cook Inlet filed comments in May, 1995, in an earlier phase of these rule making proceedings on numerous aspects of broadcasting, including duopoly, ownership attribution, the cross-interest policy, satellites and minority and female ownership. Cook Inlet's prior comments antedated the Telecommunications Act of 1996<sup>2/</sup> which, inter alia, eliminated the 12 television station ownership limitation (14 if minorities) and increased the national audience limitation reach to 35%.

These changes have led to consolidation of ownership and control of broadcast stations to an unprecedented degree. As part of that process, the participation in the U.S. broadcast industry by small businesses, minorities and women has declined dramatically and perhaps permanently. Those policies have been a casualty in part of the 1996 Act, but the Commission has a duty and an opportunity in these rule making proceedings to factor the vital policy of diversity into the rule changes under consideration here.

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<sup>1/</sup> 43 U.S.C. § 1626(e).

<sup>2/</sup> P.L. 104-104, 110 Stat. 56 (1996).

The following principles will have a genuine and positive impact on diversity of ownership and they should be incorporated into any rules to be adopted. They are:

1. The duopoly rule for television in 47 C.F.R. § 73.3555(b) should be retained.
2. Waivers of the duopoly rule should be granted only where: (a) current criteria justify them; or (b) at least one of the licensees involved becomes or remains controlled by a small business and/or by a business owned by members of minority groups and/or women.

The Commission has extensive experience with the definition and application of a small business preference in the context of spectrum auctions.<sup>3/</sup> The treatment of small businesses in these rule making proceedings should be consistent with the Commission's spectrum auction rules. The application of the rule regarding members of a minority group and/or women should be tailored to the results of the Commission's study of such preferences in its proceeding to eliminate barriers to entry for small businesses.<sup>4/</sup> The Commission frequently has recognized that

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<sup>3/</sup> See, e.g., 47 C.F.R. § 24.320(b) (narrowband PCS); § 24.720(b) (broadband PCS); § 27.201(b) (WCS); § 90.814(b) (SMR).

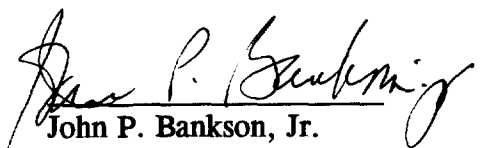
<sup>4/</sup> See Section 257 Proceeding to Identify and Eliminate Market Entry Barriers for Small Businesses, Notice of Inquiry, 11 FCC Rcd 6280 (1996) ("NOI"). CIRI urges the Commission representative to the Telecommunications Development Fund ("TDF") to propose using TDF funds to commission a study on the sources and effects of racial discrimination in the telecommunications industry. The Commission has identified the need for a record of discrimination in the industry to satisfy the heightened scrutiny applied by the Supreme Court in Adarand Constructors, Inc. v. Peña, 115 S.Ct. 2097 (1995), see NOI at ¶ 56, and Congress authorized the TDF specifically to use its funds for "the preparation of research, studies, or financial analyses." 47 U.S.C. § 614(e)(4). The Commission's future efforts to develop and maintain minority preference rules will be buttressed with the record evidence from such an examination.

the small business category often includes minority and/or women-owned businesses and thereby promotes diversity.<sup>5/</sup>

These vital concerns and fundamental policies to create opportunities in broadcasting and cable television for minorities, women, and small businesses (or combinations of them) should be incorporated in any rules to be adopted to assure diversity of program sources. This is particularly important with the increasing consolidation of television station and cable system ownerships which reduces opportunities for minorities, women and small businesses.

Respectfully submitted,

COOK INLET REGION, INC.

By:   
John P. Bankson, Jr.

Its Attorney

Drinker Biddle & Reath  
Suite 900  
901 15th Street, N.W.  
Washington, D.C. 20005  
(202) 842-8806

March 21, 1997

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<sup>5/</sup> See, e.g., Amendment of the Commission's Rules to Establish Part 27, the Wireless Communications Service, Report and Order, FCC 97-50, ¶ 191 (rel. Feb. 19, 1997); Amendment of Parts 20 and 24 of the Commission's Rules - Broadband PCS Competitive Bidding and the Commercial Mobile Radio Service Spectrum Cap, Report and Order, 11 FCC Rcd 7824, 7833, 7844 (1996); Amendment of Part 90 of the Commission's Rules to Facilitate Future Development of SMR Systems in the 800 MHz Frequency Band, Eighth Report and Order, 11 FCC Rcd 1463, 1575 (1995); Implementation of Section 309(j) of the Communications Act - Competitive Bidding, Sixth Report and Order, 11 FCC Rcd 136, 143, 158 (1996).